



Chicago, Milwaukee, St. Paul
and Pacific Railroad Company

516 West Jackson Boulevard
Chicago, Illinois 60606
Phone 312/648-3000

CERTIFIED MAIL

March 19, 1981

Ms. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
12th & Constitution Avenue, N.W.
Washington, D.C. 20423

Dear Ms. Mergenovich:

Enclosed herewith for recording under 49 U.S.C. §11303 and 49 C.F.R. Part 1116 please find three executed originals and two certified counterparts of that certain Equipment Lease Agreement dated as of March 2, 1981 between Segar Leasing Company No. 3, a general partnership, as Lessor, and Richard B. Ogilvie, Trustee of the property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, as Lessee, covering 76 low-tri-pak automobile racks affixed to flat cars. Also enclosed is our voucher in the amount of \$50 for payment of the required recordation fee.

The following information is submitted pursuant to 49 C.F.R. §1116.4:

(a) The parties to the transaction:

Segar Leasing Company No. 3, a general partnership as Lessor, c/o William M. Goldstein, Esq., 2100 The Fidelity Building, 123 South Broad Street, Philadelphia, PA 19109 and Richard B. Ogilvie, Trustee of the property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, 516 West Jackson Blvd., Chicago, IL 60606 as Lessee.

(b) General description of the equipment covered by the lease:

76 low-tri-pak automobile-carrying racks which are affixed to Trailer Train flat cars and used for the transportation of automobiles on flat cars, each rack bearing two numbers as set forth in Exhibit A hereto and to the Lease.

(c) These racks were originally leased to the Chicago, Milwaukee, St. Paul and Pacific Railroad Company under a lease document which was recorded under former Section 20c of the Interstate Commerce Act at 9:50 A.M. on May 17, 1971, bearing recordation No. 6154-A. That lease terminated by its own terms on February 28, 1979, and the subject racks have been or are being reconstructed under the subject lease agreement. We request that these documents be cross-indexed.

RECORDATION NO. 6154-C 1425

MAR 24 1981 - 12 25 PM

INTERSTATE COMMERCE COMMISSION

No.

Date.....

56.00

Washington, D. C.

1-083A073

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RECEIVED



March 19, 1981

Page 2

The undersigned is an officer of one of the parties to this Equipment Lease Agreement having knowledge of the matters described herein.

Please return at least two originals and any extra copies not needed by the Commission for recordation, bearing the recordation stamped information, to the undersigned at 888 Union Station Building, 516 West Jackson Blvd., Chicago, Illinois 60606. Thank you for your cooperation.

Very truly yours,

Michael D. Sullivan
General Solicitor-Corporate

MDS/bg

cc: Ms. Elizabeth M. Barbis
Morgan, Lewis & Bockius
2300 Fidelity Building
123 South Broad Street
Philadelphia, PA 19109

EXHIBIT A

SCHEDULE OF EQUIPMENT

The equipment consists of tri-pak Auto Racks bearing numbers 47295 through 47454 inclusive affixed to flat cars as follows:

<u>Rack Number</u>	<u>Original Cost</u>	<u>Flat</u> <u>Car Number</u>	<u>Owned By</u>
47295 - 96	\$ 8,767.00	TTKX 801578	Trailer Train Company
47297 - 98	8,767.00	801580	Trailer Train Company
47299 - 47300	8,767.00	801581	Trailer Train Company
47301 - 02	8,767.00	801604	Trailer Train Company
47303 - 04	8,767.00	801538	Trailer train Company
47305 - 06	8,767.00	801594	Trailer Train Company
47307 - 08	8,767.00	801552	Trailer Train Company
47309 - 10	8,767.00	801633	Trailer Train Company
47311 - 12	8,767.00	801632	Trailer Train Company
47313 - 14	8,767.00	801547	Trailer Train Company
47315 - 16	8,767.00	801636	Trailer Train Company
47317 - 18	8,767.00	801582	Trailer Train Company
47319 - 20	8,767.00	801548	Trailer Train Company
47321 - 22	8,767.00	801588	Trailer Train Company
47323 - 24	8,767.00	801605	Trailer Train Company
47325 - 26	8,767.00	801637	Trailer Train Company
47327 - 28	8,767.00	801583	Trailer Train Company
47329 - 30	8,767.00	801592	Trailer Train Company
47333 - 34	8,767.00	801610	Trailer Train Company
47335 - 36	8,767.00	801590	Trailer Train Company
47337 - 38	8,767.00	801584	Trailer Train Company
47339 - 40	8,767.00	801585	Trailer Train Company
47341 - 42	8,767.00	801586	Trailer Train Company
47343 - 44	8,767.00	801608	Trailer Train Company
47345 - 46	8,767.00	801612	Trailer Train Company
47347 - 48	8,767.00	801591	Trailer Train Company
47349 - 50	8,767.00	801598	Trailer Train Company
47351 - 52	8,767.00	801576	Trailer Train Company
47353 - 54	8,767.00	801601	Trailer Train Company
47355 - 56	8,767.00	801600	Trailer Train Company
47357 - 58	8,767.00	801609	Trailer Train Company
47359 - 60	8,767.00	801613	Trailer Train Company
47361 - 62	8,767.00	801625	Trailer Train Company
47363 - 64	8,767.00	901670	Trailer Train Company
47356 - 66	8,767.00	801616	Trailer Train Company
47367 - 68	11,149.00	801627	Trailer Train Company
47369 - 70	8,767.00	801639	Trailer Train Company

47371 - 72	9,686.00	TTKX 801635	Trailer Train Company
47375 - 76	9,686.00	801624	Trailer Train Company
47377 - 78	9,686.00	801626	Trailer Train Company
47379 - 80	9,686.00	801623	Trailer Train Company
47381 - 82	8,767.00	801653	Trailer Train Company
47383 - 84	9,686.00	801630	Trailer Train Company
47385 - 86	9,686.00	801628	Trailer Train Company
47387 - 88	9,686.00	801629	Trailer Train Company
47389 - 90	9,686.00	801614	Trailer Train Company
47391 - 92	9,686.00	801631	Trailer Train Company
47393 - 94	9,686.00	801649	Trailer Train Company
47395 - 96	9,686.00	801621	Trailer Train Company
47397 - 98	8,767.00	801622	Trailer Train Company
47399 - 47400	9,686.00	801620	Trailer Train Company
47401 - 02	9,686.00	801617	Trailer Train Company
47403 - 04	9,686.00	801643	Trailer Train Company
47405 - 06	9,686.00	801615	Trailer Train Company
47407 - 08	8,767.00	801655	Trailer Train Company
47409 - 10	9,686.00	801648	Trailer Train Company
47411 - 12	9,686.00	801638	Trailer Train Company
47413 - 14	8,767.00	801654	Trailer Train Company
47415 - 16	8,767.00	801642	Trailer Train Company
47417 - 18	8,767.00	801618	Trailer Train Company
47419 - 20	8,767.00	801641	Trailer Train Company
47421 - 22	9,686.00	801634	Trailer Train Company
47423 - 24	8,767.00	801645	Trailer Train Company
47425 - 26	9,686.00	801644	Trailer Train Company
47427 - 28	9,686.00	801640	Trailer Train Company
47429 - 30	9,686.00	801646	Trailer Train Company
47431 - 32	9,686.00	801650	Trailer Train Company
47435 - 36	8,767.00	801647	Trailer Train Company
47437 - 38	11,149.00	801651	Trailer Train Company
47439 - 40	8,767.00	901251	Trailer Train Company
47441 - 42	8,767.00	801392	Trailer Train Company
47443 - 44	8,767.00	902946	Trailer Train Company
47447 - 48	8,767.00	800776	Trailer Train Company
47449 - 50	8,767.00	901232	Trailer Train Company
47451 - 52	11,149.00	900663	Trailer Train Company
47453 - 54	8,767.00	908835	Trailer Train Company

Interstate Commerce Commission
Washington, D.C. 20423

3/25/81

OFFICE OF THE SECRETARY

Michael D. Sullivan
General Solicitor -Corp.
888 Union Station Bld.
516 W. Jackson Blvd.
Chicago, Illinois 60606

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/24/81 at 12:25pm, and assigned re-recording number(s). 6154-C

Sincerely yours,

Agatha L. Mergenovich
Agatha L. Mergenovich
Secretary

Enclosure(s)

SE-30
(7/79)

RECORDATION No. 6154-C 1425

MAR 24 1981 -12 25 PM

ILLINOIS COMMERCE COMMISSION

EQUIPMENT LEASE AGREEMENT

Dated as of March 2, 1981

Between

SEGAR LEASING COMPANY NO. 3,

a general partnership,

as Lessor

and

RICHARD B. OGILVIE, Trustee of the Property of

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC

RAILROAD COMPANY, Debtor,

as Lessee

EQUIPMENT LEASE AGREEMENT

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EQUIPMENT LEASE AGREEMENT

AGREEMENT OF LEASE (hereinafter the "Lease") dated as of March 2, 1981 by and between SEGAR LEASING COMPANY NO. 3 (hereinafter called "Lessor"), a partnership organized and existing under the laws of the District of Columbia with offices at Suite 800 North, 1800 M Street N.W., Washington, D.C. 20036, and Richard B. Ogilvie, Trustee of the Property of the CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, Debtor (hereinafter called "Lessee"), with offices at 516 West Jackson Boulevard, Chicago, Illinois 60606.

W I T N E S S E T H:

WHEREAS, the Lessor is the owner of seventy-six low-tri-pak automobile-carrying racks which are described in Exhibit A hereto and which are affixed to Trailer Train flat cars and are used for the transportation of automobiles on flat cars; and

WHEREAS, Lessor entered into an Agreement of Lease with the Debtor commencing March 1, 1971, wherein Lessor leased to the Debtor and the Debtor hired from Lessor the tri-pak Auto Racks described in Exhibit A thereto (hereinafter called "Unreconstructed Auto Racks") for a term of eight (8) years, which Agreement of Lease terminated by its own term on February 28, 1979; and

WHEREAS, on December 19, 1977, the Debtor filed a petition for reorganization under Section 77 of the Federal Bankruptcy Act in the United States District Court for the Northern District of Illinois, Eastern Division (hereinafter called "Reorganization Court"), such petition was duly approved

as properly filed by an order signed on December 20, 1977 by the Reorganization Court, and Richard B. Ogilvie was duly qualified as Trustee of the Property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor; and

WHEREAS, since March 1, 1979 Lessor has continued to rent to Lessee and Lessee has continued to hire from Lessor the Unreconstructed Auto Racks referred to above on a month to month basis at a rental payment of \$10,397.30 per month, which month to month rental arrangement continues in effect as of the date hereof; and

WHEREAS, following discussions with the Lessee, the Lessor has contracted with Transco, Inc. (hereinafter called "Manufacturer") to reconstruct and side-in said Unreconstructed Auto Racks in accordance with specifications approved by Lessee;

NOW, THEREFORE, in consideration of the premises and of the rentals to be paid and out of the mutual promises and covenants hereinafter mentioned to be kept and performed by the parties, Lessor hereby leases to the Lessee and Lessee hereby hires from the Lessor, the following described items: 76 low-tri-pak Auto Racks for the term and at the rental and subject to the other terms and conditions hereinafter set forth:

1. Term. -- The term of this Lease (hereinafter referred to as the "Term") shall commence upon the date hereof, shall continue through the last day of the month after which all the racks described in Exhibit A hereof shall have been reconstructed and sided-in (hereinafter called "Reconstructed Racks") and shall have been delivered to Lessee by the Manufacturer (hereinafter the "Initial Payment Date") and shall end five (5) years after the Initial Payment Date.

2. Lease. -- The Lessor shall lease to Lessee, and Lessee shall hire from Lessor the automobile racks referred to above and more fully described in an attached schedule marked Exhibit A, made a part hereof (hereinafter collectively called "the racks" or, individually, "a rack" and from time to time "Unreconstructed Racks" or "Reconstructed Racks" as the case may be).

3. Rent of Racks. -- Lessor is the owner of the above-described automobile-carrying racks for use on flat cars. These are the items to be leased by Lessor to Lessee under this Agreement.

4. Appointment of Lessee as Agent; Limitation of Warranties. -- The Lessor hereby irrevocably appoints and constitutes Lessee its agent and attorney-in-fact for and in its name and behalf, but for the account of the Lessee, to make and to enforce, from time to time, at the Lessee's sole cost and expense, whatever claim or claims the Lessor may have against Manufacturer under the terms of the reconstruction contract between Lessor and Manufacturer, and Lessor shall have no obligation to assert any such claim or claims which Lessor may have against Manufacturer under the terms of said contract. Lessor, for its own account, makes no warranty or representation either expressly or by implication, as to the fitness, design or condition of, or as to the quality of the material or workmanship in the Reconstructed Racks, it being agreed that all such risks as between Lessor and Lessee are to be borne by the Lessee; provided, however, that Lessor does warrant that it has the lawful right to lease the racks and Lessee's interest in and to the racks is free and clear of all claims, liens,

security interests and encumbrances of any nature except only the rights of the Lender (as defined in Paragraph 27 hereof) under the chattel mortgage security interest referred to therein and of Lessor under this Lease and of Lessee under this Lease.

5. Rental Payments.

(a) Basic Rent. -- Lessee shall pay as rental to Lessor on the Initial Payment Date, and, unless the remaining rental payments are accelerated as provided herein, on the last day of each month thereafter (or if any such day is not a business day in the State of Illinois, on the next succeeding business day) during the Term of the Lease the maximum amount of \$17,708 ("Basic Rent") for all racks (\$233 per rack), subject to reduction as provided in Paragraph 5(c) hereof.

(b) Interim Rent. -- In addition to Basic Rent the Lessee shall pay as monthly rental to Lessor beginning on the last day of the month following the date hereof and on the last day of every month thereafter until the Initial Payment Date (the "Interim Rent Period") as interim rent ("Interim Rent") an aggregate amount equal to the total of:

(i) \$136.81 per month for each and every individual rack listed in Exhibit A hereto which is an Unreconstructed Auto Rack; it being understood that the monthly rental under this subsection (i) for each Unreconstructed Auto Rack shall be payable for the period before commencement of reconstruction of each Unreconstructed Auto Rack and for the period during which each Unreconstructed Auto Rack is in the possession of the Manufacturer for the purpose of reconstruction and siding-in, said period for each rack to terminate on the

date of delivery to Lessee by the Manufacturer of said rack as a Reconstructed Rack (the "Delivery Date"); except that the last payment for each rack under this subsection (i) shall be a pro-rata portion of the amount due under this subsection (i) for the month during which the Delivery Date occurs (the "Month of Delivery"), calculated to the Delivery Date on the basis of the relationship of the number of days in the Month of Delivery up to but excluding the Delivery Date to the total number of days in the Month of Delivery; and

(ii) \$233 per month for each and every individual rack listed in Exhibit A hereto which is a Reconstructed Rack for the period beginning on the Delivery Date and ending on the Initial Payment Date, subject to reduction as provided in Paragraph 5(c) hereof; except that the first payment for each Reconstructed Rack under this subsection (ii) shall be a pro-rata portion of the amount due under this subsection (ii) for the Month of Delivery calculated from the Date of Delivery on the basis of the relationship of the number of days including the Delivery Date remaining in the Month of Delivery to the total number of days in the Month of Delivery.

(c) The Basic Rent of \$17,708 in subparagraph (a) and the Interim Rent of \$233 per rack in subparagraph (b) (ii) shall be adjusted downward upon receipt from the Manufacturer of final reconstruction costs for all racks on an average basis. Said adjustment shall be calculated using the same formula as originally used to calculate Basic Rent, changing only the reconstruction costs in accordance with The Chicago Corporation's letter of January 13, 1981 to the Lessee;

provided, however, that the amount of \$830 shall be added to the Basic Rent, as adjusted pursuant to this subparagraph 5(c), up to the maximum Basic Rent of \$17,708. When the final Basic Rent and such Interim Rent is so determined, Lessee shall receive credit for any prior rental payments made in excess of such final amounts.

6. Additional Rental Payment. -- In addition to the rental payments described in Paragraph 5 above, the Lessee shall also pay during both the Interim Rent Period and the Basic Rent Term the following amounts as rental:

(a) All amounts required to be paid by the Lessee under Paragraph 8 hereof as taxes, assessments, or other governmental charges levied or assessed upon the racks (which are the subject of this Lease) against the Lessee or the Lessor.

(b) All amounts required to be paid by the Lessee under Paragraph 11 hereof in maintaining and repairing said racks after the initial twelve months following the Delivery Date of each Reconstructed Rack, or in complying with regulations relating thereto under Paragraph 9 hereof in indemnifying Lessor against any expenses or liability arising from the use and operation of said racks, and under Paragraph 4 hereof in discharging the risks assumed by Lessee with respect to fitness, design or condition of the racks, and all amounts required for affixing and removing the racks from the flat cars.

(c) All amounts required to be paid by the Lessee under Paragraph 23 hereof in connection with the filing, recording or registration of this Lease or any other documents in connection therewith; and

(d) All other amounts of every kind and character required to be paid by Lessee on account of this Lease.

7. Abatement of Rents. -- Lessee shall not be entitled to any abatement of rental or additional payments or, except as provided in Paragraph 5(c), reductions thereof, including, but not limited to, abatements or reductions due to any present or future claims of Lessee against Lessor or any assignee of the Lessor or against Manufacturer, or any assignee of the Manufacturer, nor shall this Lease terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in, damage to or destruction of the automobile-carrying racks from whatever cause, the requisition thereof, the lawful prohibition of Lessee's use by any private person or corporation, or for any other cause, whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rental payments and additional rental payments shall continue to be payable in all events, unless the obligation to pay such amounts shall be terminated, pursuant to the express provisions of Paragraph 13 or the last paragraph of Paragraph 20 of this Lease. Nothing contained in this Paragraph 7 shall constitute a waiver by Lessee of any claim for damages against Lessor for breach of Lessor's warranty contained in Paragraph 4 hereof.

8. Payment of Taxes, Assessments, etc. by Lessee. -- The Lessee shall, during the continuance of this Lease, in addition to the rentals herein provided, promptly pay all taxes, assessments and other governmental charges levied or assessed upon the racks or the interest of the Lessee therein or in respect of the use or operation thereof, and will promptly pay

or reimburse the Lessor for all taxes, assessments and other governmental charges levied or assessed against Lessor on account of its ownership of said racks or in respect of the use or operation thereof, exclusive, however, of any taxes on the rentals herein provided; but the Lessee shall not be required to pay the same so long as it shall, in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof, unless thereby, in the reasonable judgment of Lessor, the rights or interest of Lessor will be materially endangered and provided that Lessee shall indemnify and save harmless the Lessor from all costs and charges (including reasonable counsel fees) resulting from any such proceeding or from the failure of the Lessee to make such payments. Lessee shall give notice to Lessor of its intention to contest the validity or amount of any such tax, assessment or governmental charge at least ten (10) days prior to the date on which Lessee shall institute the appropriate legal or administrative proceedings. In the event any tax reports are required to be made on the basis of the racks, Lessee shall either make such reports, in such manner as to show ownership of said racks by Lessor or shall notify Lessor of such requirements and shall make such reports in such manner as shall be satisfactory to Lessor.

9. Indemnification by Lessee, etc. -- Lessee shall defend, indemnify and save harmless the Lessor against any loss, charge or claim made against Lessor and against any expense or liability (including reasonable attorney's fees) which Lessor may incur by reason of its ownership of the racks while they are subject to this Lease in any manner arising out of or as a result of the use or operation of such racks, and shall defend,

indemnify and save harmless the Lessor against any claim or suit on account of any accident in connection with the operation of such racks resulting in death, damage or injury to any person, including employees of Lessee, and shall also defend, indemnify and hold Lessor harmless for any loss of or damages to property (including property of Lessee) arising out of and in any manner connected with the possession, use or operation of said racks while they are subject to this Lease.

10. Replacements, etc. -- Lessee shall have the right, without cost or expense to Lessor, to make any replacement, change, substitution or addition of any equipment or appliance upon said racks, providing that no such replacement, change, substitution or addition shall decrease the value of such racks, but any parts installed or replacements made by Lessee upon the racks shall be considered accessions to such racks and title thereto shall be immediately vested in Lessor.

11. Repair and Maintenance. -- Subject to the provisions of Paragraph 13 and the last paragraph of Paragraph 20 hereof, this Lease shall continue in full force and effect irrespective of damage to the racks, and Lessee agrees that, after the initial twelve months following the Delivery Date of each Reconstructed Rack, at its own costs and expense, it will maintain and keep each rack in good order and repair, ordinary wear and tear excepted. Lessor agrees that for the first twelve months following the Delivery Date of each Reconstructed Rack, it will maintain and keep such racks in good order and repair.

12. Compliance With Rules, etc. -- Lessee agrees to comply with all governmental laws, rules and regulations of the Association of American Railroads, to the extent that the same are applicable to the racks with respect to the use, maintenance and operation of said racks subject to this Lease; in case any racks are required to be changed or replaced or in case any additions or other equipment or appliances are required to be installed in order to comply with such laws, regulations, requirements and rules, the Lessee agrees to make such changes, additions and replacements at its cost and expense, and any parts so installed or replacements so made by Lessee shall be considered accessions to such racks and title thereto shall be immediately vested in Lessor. Lessee agrees to maintain such racks in full compliance with such laws, regulations, requirements and rules so long as they are subject to this Lease.

13. Destruction, Condemnation, etc. of Racks.

(a) Destruction, etc. of Racks. -- In the event any of said racks are destroyed, stolen or, in the opinion of Lessee, damaged beyond economical repair, then, on the last day of the month in which Lessee shall have given notice to Lessor of the occurrence of such event, this Lease shall terminate in respect of such racks and Lessee shall (after such event shall have occurred during the Term) pay to the Lessor an amount in cash equal to the present value of the remaining rentals to be made under Paragraph 5 for such racks (such present value to be computed by discounting the remaining rentals at a rate of 14.1% per annum) and any additional rental payments to be made under Paragraph 6, together with the amount of \$1,000 per rack; upon the receipt of the payments required under this Paragraph 13 to be made by Lessee, Lessor shall not thereafter

have any interest in any material salvagable by Lessee from such racks.

(b) Condemnation, etc. of Racks. -- In the event any of said racks are taken by condemnation or otherwise during the Term by any governmental authority under the power of eminent domain or otherwise on any basis involving the taking of title to the racks, then, on the day of the month on which such event shall have occurred, this Lease shall terminate in respect of such racks, Lessee shall give notice to Lessor of such event and Lessor shall have no claim against Lessee other than for rental charges and other obligations which accrued hereunder up to the date of such condemnation or taking. Lessor shall be entitled to all payments made by such governmental authority as compensation for such condemnation or taking.

14. Requisition of Racks. -- In the event that the use of said racks shall be requisitioned during the Term by any governmental authority under the power of eminent domain or otherwise on any basis not involving the taking of title to the racks, such requisition shall not terminate this Lease and each and every obligation of Lessee with regard thereto shall remain in full force and effect. The Lessee, so long as it shall not be in default under this Lease, shall be entitled during the Term to all payments made by such governmental authority as compensation for such requisition.

15. Inspection. -- The Lessor, by its authorized representatives, shall have the right at its own risk and expense to inspect the racks at such times as shall be reasonably necessary to confirm to the Lessor the existence and proper maintenance thereof.

16. Sublease, Assignment and Transfer, etc.

(a) Possession, Sublease, Assignment and Transfer by Lessee. -- So long as Lessee shall not be in default under this Lease, Lessee shall be entitled to possession and use of the racks in accordance with the terms of this Lease. Without prior written consent of Lessor, Lessee shall not sublet, assign, transfer or encumber its leasehold interest under this Lease in the racks, nor shall Lessee part with possession and control of or suffer or allow to pass out of its possession and control, the racks, except to the extent that normal operating practice in connection with the use of the racks may require the temporary relinquishment, including the use of the racks upon connecting and other carriers in the usual interchange of traffic or pursuant to run-through agreements, provided, however, that the racks shall not be used predominantly outside of the United States.

(b) Merger, Consolidation or Acquisition of Lessee; Assignment by Lessee to Certain Permitted Railroads. -- Nothing in this Paragraph 16 shall be deemed to restrict (i) the right of the Lessee to assign or transfer its leasehold interest under this Lease in the racks or possession of the racks to any corporation which assumes the Lessee's interests in and obligations under this Lease pursuant to a plan of reorganization adopted in its reorganization proceedings (such corporation hereinafter called the "Reorganized Corporation"); (ii) the right of the Reorganized Corporation to assign or transfer its leasehold interest under this Lease in the racks or possession of the racks to any corporation into or with which the Reorganized Corporation shall have become merged or

consolidated or which shall have acquired or leased all or substantially all of the lines of railroad of the Reorganized Corporation, provided that such assignees, successors or transferees shall have duly assumed the obligations of the Reorganized Corporation hereunder and that they will not, upon the effectiveness of such merger or consolidation or acquisition of properties and the assumption of such obligations, be in default under any provisions of this Lease; (iii) the right of the Lessee or the Reorganized Corporation, as the case may be, to assign or transfer its leasehold interest under this Lease in the racks or possession of the racks to any railroad corporation organized under the laws of the United States or any state thereof which, at the time such assignment or transfer thereto shall become effective (1) qualifies as a Class I railroad under the rules and regulations of the Interstate Commerce Commission, and (2) has outstanding at such time equipment obligations rated "A" (or the equivalent thereof) or better by Moody's Investors Service or Standard & Poor's Corporation or a successor thereto, which rating shall have been provided thereby during the year preceding such assignment or transfer either in connection with a sale of equipment obligations or by a private letter; provided that the right of assignment and transfer set forth in this clause (iii) will not result in a default by the assuming or transferee railroad under any instrument or agreement to which it is a party, and may be exercised only by Richard B. Ogilvie, Trustee of the Property of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, or a successor trustee under its reorganization proceedings or by a duly authorized director or officer of the Reorganized Corporation, as the case may be. Upon the due assumption of the obligations of the Lessee hereunder by any

permitted party as aforesaid, Richard B. Ogilvie, Trustee of the Property of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Debtor, or the Reorganized Company, as the case may be, shall be relieved of all obligations to pay rental hereunder accruing from and after the date of such assignment or transfer and all other such obligations hereunder as shall arise after said date of assignment or transfer.

17. Discharge of Liability. -- Lessee's obligations and liabilities under this Lease shall only be relieved or discharged, other than by the payments prescribed herein, by a formal written release of Lessor to such an effect and not otherwise.

18. Liens. -- Lessee shall pay or cause to be paid or discharged, or make adequate provision for the satisfaction or discharge, of any claims against Lessee which, if unpaid, might become a lien or charge upon or against the racks; but this provision shall not require the payment of any such claim so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings unless thereby, in the reasonable judgment of Lessor, the rights or interests of Lessor will be materially endangered and provided that Lessee shall indemnify and save harmless the Lessor from all cost and charges, including reasonable counsel fees, resulting from any such proceeding or from the failure of Lessee to pay any such claims. Lessee shall give notice to Lessor of its intention to contest the validity of any such claim at least ten (10) days before the date on which Lessee shall institute the appropriate legal proceedings.

19. Assignment of Lessor's Interests. -- All rights of Lessor hereunder may be assigned and transferred by it, subject, however, in any case to the rights of Lessee hereunder. Lessee shall not assert against any assignment of Lessor's rights hereunder (by way of defense to any claim of such assignee made under this Lease), any defense, counterclaim, offset or recoupment of any kind, variety or nature which Lessee may have against Lessor whether arising under the Lease or otherwise.

20. Default. -- If during the continuance of this Lease, Lessee shall default with respect to making any payments provided for in Paragraphs 5 or 6 relating to rental or additional rental or shall fail to make any of the payments required to be made under Paragraphs 8, 9, 11, 12 and 13, or should any default be made in the observance or performance of any of the other covenants, conditions and agreements on the part of Lessee contained herein and such default continue for thirty (30) days after notice in writing of such default without cure, then, in any such case, Lessor, at its option, may (a) proceed by appropriate court action or actions, either at law or at equity, to enforce performance by Lessee of the applicable covenants of this Lease or to recover damages for the breach thereof; or (b) by notice in writing to Lessee, terminate this Lease, whereupon all rights of the Lessee to the use of racks, the subject of this Lease, shall forthwith terminate, but Lessee shall remain liable as hereinafter provided; and thereupon the Lessor may by its agents enter upon the premises of Lessee or other premises where said racks may be and take possession of said racks and thenceforth hold, possess and enjoy the same free from any right of Lessee, its successor or assigns to use said racks for any purpose whatever;

but Lessor shall, nevertheless, have a right to recover forthwith in cash from Lessee any and all amounts which under the terms of this Lease may be then due or which may become due and unpaid, including rentals or additional rentals accruing hereunder after the date of default; and Lessor may also recover forthwith from Lessee in cash, if the Term has not expired, as damages for loss of the bargain and not as a penalty, a sum with respect to the racks which represents the excess of (x), the present value, at the time of such termination, of all rentals for said racks which would otherwise have accrued hereunder from the date of such termination to the end of the Term, over (y), the then present value of the rentals which the Lessor reasonably estimates to be obtainable for the use of the racks during such period, such present value to be computed in each case on the basis of a simple 9.8% per annum discount.

Anything to the contrary hereinabove notwithstanding, any non-payment of rentals or additional rentals due hereunder, whether during the thirty (30) day period within which a default may be cured, or for a longer period, and whether or not deemed a default in violation of this Lease, shall result in the obligation on the part of Lessee to pay also an amount equal to eighteen percent (18%) (or the lawful rate, whichever is less) of the overdue rentals or additional rentals for the period of time during which they are overdue.

Notwithstanding the foregoing provisions of this Paragraph 20 or any other provisions of this Lease, it is expressly understood that if the Lessee is ordered by its Reorganization Court to terminate the Lease in connection with the discontinuance of substantially all service or the liquidation of substantially all of the Lessee's assets, this

Lease shall terminate, the Lessee shall surrender possession of all the racks to the Lessor, and the Lessor shall have no claim against the Lessee other than for rental charges and other obligations which accrued hereunder up to the date of such surrender of possession.

21. Remedies of Lessor. -- The remedies in this Lease provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity; subject, however, to the last paragraph of Paragraph 20 hereof. The Lessee hereby waives any mandatory requirements of law, now or hereafter in effect, which might limit or modify any of the remedies herein provided, to the extent that such waiver is permitted by law.

22. Termination of Lease. -- On the termination of this Lease, at the end of the Term, the racks, the subject of this Lease, shall be removed from the flat cars, at the Lessee's expense, at a place mutually agreed upon by Lessor and Lessee, and returned to the Lessor.

23. Filing, Registration, etc. -- Lessee shall, from time to time, do and perform such acts and shall execute, in addition to this Lease, a consent to the Lessor's assignment hereof and shall acknowledge, deliver, file, register and record (and shall re-file, re-register, or re-record whenever required) any and all such reports, records, accounts, memoranda and instruments required by law or reasonably requested by Lessor, or by the Assignee, hereinafter referred to, for the purpose of proper protection, to the satisfaction of counsel for Lessor, and for the Lender hereinafter referred to, of its title to

the racks and for the purpose of carrying out the intention of this Lease in conformity with all federal and state regulatory agency requirements. Lessee shall pay all costs, charges and expenses incident to the filing, re-filing, registering, re-registering, recording and re-recording of this Lease and a consent to the assignment hereof and any such future instrument incidental to this transaction.

24. Notification. -- Any notice required or permitted to be given by either party hereto to the other shall be deemed to have been given when personally delivered or deposited in the United States mails, first-class, with postage prepaid, addressed as follows: if to the Lessor: Segar Leasing Company No. 3, c/o William M. Goldstein, Esq., 2100 The Fidelity Building, 123 South Broad Street, Philadelphia, Pennsylvania 19109 or at such other address as Lessor shall from time to time designate in writing to Lessee; if to the Lessee: Richard B. Ogilvie, Trustee, The Chicago, Milwaukee, St. Paul and Pacific Railroad Company, Room 746, 516 West Jackson Boulevard, Chicago, Illinois 60606, Attention: Vice-President, Finance, or at such other address as Lessee shall from time to time designate in writing to Lessor.

25. Law Governing. -- This Lease shall be governed and construed in accordance with the laws of the State of Illinois.

26. Counterparts. -- This Lease, and any supplements hereto, may be executed in several counterparts, each of which so executed shall be deemed to be an original, and in each case such counterparts together shall constitute but one and the same instrument.

27. Assignment by Lessor. -- It is anticipated that Lessor may borrow funds from a financial institution or other person (hereinafter called the "Lender") in connection with this transaction and Lessor may assign this Lease and all of its rights hereunder to the Lender as collateral security therefor. Lessor's right, title and interest in and to this Lease and to the racks may be transferred and assigned to the Lender and a chattel mortgage security interest in the racks and/or a security interest in this Lease may be granted by Lessor to Lender. The Lender may further transfer and assign the same, including its interest as secured party, and any Assignee (which term shall include the Lender) shall have the rights, powers, privileges and remedies of Lessor hereunder. Any such assignments shall be specifically subject to Lessee's rights hereunder and no such assignment may be made which adversely affects Lessee's rights to operate and use the racks, the subject of this Lease. Any such Assignee shall not be obligated to perform any of the obligations of Lessor hereunder. Lessor may instruct Lessee in writing to pay the rentals and the additional rentals specified herein in Paragraphs 5 and 6, or an amount equal to such rentals, together with any amounts to be paid under any of the other provisions of this Lease, specifically Paragraphs 8, 9, 11, 12, 13, and 20, and all other sums due hereunder or pursuant hereto, directly to the Lender (or his designated agents) or to such subsequent Assignee as the Lender may direct. Such Assignee may, at its option, utilize or retain such payments in the satisfaction of any obligation of Lessor or Lessee hereunder; or as security for the performance by Lessor or Lessee of their respective obligations hereunder. The foregoing payments shall be made without interruption or

abatement pursuant to the terms of this Lease notwithstanding any event whatsoever, including without limitation, the bankruptcy or insolvency of Lessor or any disaffirmance of its contracts by any trustee or receiver; and notwithstanding any defense, set-off or counterclaim whatsoever, whether by reason of any act or omission of Lessor or otherwise, until receipt of written notice from said Assignee that all obligations secured by said assignment have been satisfied.

28. Rights of Assignee. -- Lessee agrees that neither the payments to be made to such Assignee nor the rights of such Assignee under such assignment shall be the subject of any set-off, counterclaim or defense with respect to any claim of Lessee against Lessor or otherwise, that it will not assert any such set-off, counterclaim or defense in any proceeding brought under said assignment, and that it will not seek to recover from such Assignee any such payments previously made; provided that nothing herein contained shall affect any claims which Lessee may have against Lessor or the right of Lessee to enforce any such claims in any manner other than by attachment or recoupment of, or set-off, counterclaim or defense against, the aforementioned payments to be made to such Assignee. Lessee agrees to hold the racks and the possession thereof for and on behalf of said Assignee to the extent of said Assignee's rights under any assignment subject to and without impairment of Lessee's rights hereunder.

29. Amendments; Assignee's Consent. -- This Lease may not be changed orally, but only by agreement in writing between Lessor and Lessee, consented to by any Assignee hereof, even though such change is specifically contemplated by the terms hereof. No modification or waiver of any provision of

this Lease nor consent to any departure by Lessee therefrom, including without limitation hereof any modification specifically contemplated by the terms hereof, shall be effective unless the same shall be in writing signed by Lessor and any Assignee, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

30. Miscellaneous. -- The captions in this Lease are for convenience only and shall not define or limit any provisions hereof. Lessee shall have no right, title or interest in or to said racks except the right to use the same upon the terms and conditions herein contained. Lessor's title to the racks and its right to take possession thereof in compliance with the provisions of this Lease shall not be affected by the provisions of the Federal Bankruptcy Act, as amended. No failure or delay on the part of Lessor in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or further exercise of any such right or power. No notice to or demand on the Lessee shall entitle Lessee to any other or further notice or demand in similar or other circumstances. This is of the essence of this Lease. If any term or provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or application of such term or provision to persons or circumstances, other than those to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

31. Financing Statements. -- Lessee authorizes Lessor or any Assignee hereof to file financing statements signed only by Lessor or such Assignee in all places where necessary to perfect a security interest in the racks in all jurisdictions where such authorization is permitted by the Uniform Commercial Code and Lessee agrees to execute and deliver such financing statements to Lessor or its Assignee for filing as may be required by Lessor or its Assignee with respect to any other jurisdictions.

32. Additional Agreements. -- Lessor and Lessee shall, but only with the prior written consent of Assignee, at any time, and from time to time at the request of Lessor, Lessee or Assignee, execute and deliver or perform, or cause to be executed and delivered or performed, all supplements and all such further and other instruments and assurances as may reasonably be appropriate in order more effectively to carry out the intents and purposes of this Lease and to establish, confirm, maintain and protect the rights and remedies created or intended to be created in favor of Lessor and Lessee by this Lease.

33. Successors, etc. -- This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns to the extent permitted hereunder.

34. Authorizations. -- Lessee shall furnish Lessor with an order of its Reorganization Court authorizing the execution and delivery of this Lease and such other documents as are to be executed and delivered by Lessee to Lessor, together with such other documents, including counsel's opinions, as

Lessor may reasonably request, all in a form and substance satisfactory to Lessor.

SEGAR LEASING COMPANY NO. 3

Witness:

Elizabeth Murphy

By: William M. Goldstein
PARTNER

RICHARD B. OGILVIE, not
individually but solely as
Trustee of the Property of
CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY, Debtor

Attest:

BB Rudnowski

By: Richard B. Ogilvie
Richard B. Ogilvie, Trustee

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA :
: ss:
CITY OF PHILADELPHIA :

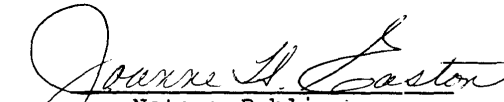
On this 13th day of March, 1981 before me personally appeared William M. Goldstein, Esq., to me personally known, who, being by me duly sworn, says that he is a general partner of SEGAR LEASING COMPANY NO. 3, and he acknowledged that the execution of the foregoing instrument was executed for the purposes therein contained.


Notary Public

ROSEMARIE K. BLATTEAU
Notary Public, Phila., Phila. Co.
My Commission Expires Sept. 1, 1984

STATE OF ILLINOIS :
: ss:
COUNTY OF COOK :

On this 16th day of March, 1981 before me personally appeared Richard B. Ogilvie, to me personally known, who, being by me duly sworn, says that he is Trustee of the Property of the CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, Debtor, and that the foregoing instrument was signed by him in said capacity as his free act and deed.


Notary Public

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EXHIBIT A

SCHEDULE OF EQUIPMENT

The equipment consists of tri-pak Auto Racks bearing numbers 47295 through 47454 inclusive affixed to flat cars as follows:

<u>Rack Number</u>	<u>Original Cost</u>	<u>Flat Car Number</u>	<u>Owned By</u>
47295 - 96	\$ 8,767.00	TTKX 801578	Trailer Train Company
47297 - 98	8,767.00	801580	Trailer Train Company
47299 - 47300	8,767.00	801581	Trailer Train Company
47301 - 02	8,767.00	801604	Trailer Train Company
47303 - 04	8,767.00	801538	Trailer train Company
47305 - 06	8,767.00	801594	Trailer Train Company
47307 - 08	8,767.00	801552	Trailer Train Company
47309 - 10	8,767.00	801633	Trailer Train Company
47311 - 12	8,767.00	801632	Trailer Train Company
47313 - 14	8,767.00	801547	Trailer Train Company
47315 - 16	8,767.00	801636	Trailer Train Company
47317 - 18	8,767.00	801582	Trailer Train Company
47319 - 20	8,767.00	801548	Trailer Train Company
47321 - 22	8,767.00	801588	Trailer Train Company
47323 - 24	8,767.00	801605	Trailer Train Company
47325 - 26	8,767.00	801637	Trailer Train Company
47327 - 28	8,767.00	801583	Trailer Train Company
47329 - 30	8,767.00	801592	Trailer Train Company
47333 - 34	8,767.00	801610	Trailer Train Company
47335 - 36	8,767.00	801590	Trailer Train Company
47337 - 38	8,767.00	801584	Trailer Train Company
47339 - 40	8,767.00	801585	Trailer Train Company
47341 - 42	8,767.00	801586	Trailer Train Company
47343 - 44	8,767.00	801608	Trailer Train Company
47345 - 46	8,767.00	801612	Trailer Train Company
47347 - 48	8,767.00	801591	Trailer Train Company
47349 - 50	8,767.00	801598	Trailer Train Company
47351 - 52	8,767.00	801576	Trailer Train Company
47353 - 54	8,767.00	801601	Trailer Train Company
47355 - 56	8,767.00	801600	Trailer Train Company
47357 - 58	8,767.00	801609	Trailer Train Company
47359 - 60	8,767.00	801613	Trailer Train Company
47361 - 62	8,767.00	801625	Trailer Train Company
47363 - 64	8,767.00	901670	Trailer Train Company
47356 - 66	8,767.00	801616	Trailer Train Company
47367 - 68	11,149.00	801627	Trailer Train Company
47369 - 70	8,767.00	801639	Trailer Train Company

47371 - 72	9,686.00	TTKX 801635	Trailer Train Company
47375 - 76	9,686.00	801624	Trailer Train Company
47377 - 78	9,686.00	801626	Trailer Train Company
47379 - 80	9,686.00	801623	Trailer Train Company
47381 - 82	8,767.00	801653	Trailer Train Company
47383 - 84	9,686.00	801630	Trailer Train Company
47385 - 86	9,686.00	801628	Trailer Train Company
47387 - 88	9,686.00	801629	Trailer Train Company
47389 - 90	9,686.00	801614	Trailer Train Company
47391 - 92	9,686.00	801631	Trailer Train Company
47393 - 94	9,686.00	801649	Trailer Train Company
47395 - 96	9,686.00	801621	Trailer Train Company
47397 - 98	8,767.00	801622	Trailer Train Company
47399 - 47400	9,686.00	801620	Trailer Train Company
47401 - 02	9,686.00	801617	Trailer Train Company
47403 - 04	9,686.00	801643	Trailer Train Company
47405 - 06	9,686.00	801615	Trailer Train Company
47407 - 08	8,767.00	801655	Trailer Train Company
47409 - 10	9,686.00	801648	Trailer Train Company
47411 - 12	9,686.00	801638	Trailer Train Company
47413 - 14	8,767.00	801654	Trailer Train Company
47415 - 16	8,767.00	801642	Trailer Train Company
47417 - 18	8,767.00	801618	Trailer Train Company
47419 - 20	8,767.00	801641	Trailer Train Company
47421 - 22	9,686.00	801634	Trailer Train Company
47423 - 24	8,767.00	801645	Trailer Train Company
47425 - 26	9,686.00	801644	Trailer Train Company
47427 - 28	9,686.00	801640	Trailer Train Company
47429 - 30	9,686.00	801646	Trailer Train Company
47431 - 32	9,686.00	801650	Trailer Train Company
47435 - 36	8,767.00	801647	Trailer Train Company
47437 - 38	11,149.00	801651	Trailer Train Company
47439 - 40	8,767.00	901251	Trailer Train Company
47441 - 42	8,767.00	801392	Trailer Train Company
47443 - 44	8,767.00	902946	Trailer Train Company
47447 - 48	8,767.00	800776	Trailer Train Company
47449 - 50	8,767.00	901232	Trailer Train Company
47451 - 52	11,149.00	900663	Trailer Train Company
47453 - 54	8,767.00	908835	Trailer Train Company